NEW YORK TIMES

BUSH SENATE RACE FACING SCRUTINY

$40,000 Transfer in 1970 May Be Issue—Church and Proxmire Critical

By NICHOLAS M. HORROCK

Special to The New York Times

WASHINGTON, Nov. 4—The 1970 Texas Senate campaign and other political activities of George Bush are expected to come under scrutiny when he goes before the Senate for hearings on confirmation as Director of Central Intelligence.

The 51-year-old Mr. Bush is the first person chosen for the intelligence post with a strongly partisan political background. Before assuming his present position as United States Representative to Peking, he served as a Representative from Texas and as chairman of the Republican National Committee.

One aspect of his unsuccessful 1970 campaign for the Senate that may attract attention, according to Senate sources, was the transfer of a $40,000 payment by wire money order from President Nixon's illegal "Townhouse" campaign financing operation to Glenn Advertising of Houston, a concern that was handling a substantial amount of Mr. Bush's campaign promotion. That was part of $106,000 the Bush campaign received from the Nixon group.

Under the old corrupt practices act, in effect in 1970, contributions received by a candidate directly and not through an election committee had to be reported to the Secretary of the Senate. There is no record that this contribution was reported to either the clerk of the House of Representatives or the Secretary of the Senate.

In Watergate Inquiry

The question was examined by the Watergate special prosecutor's office during its investigation of the Townhouse operation, the sources said, but in the prosecutor's report last month there was no mention of the case. The prosecutor has routinely declined to comment on individual investigations, but those familiar with the office's operation said there was no indication that the matter would be prosecuted.

Mr. Bush could not be reached tonight for comment. But Marvin Collins, Mr. Bush's campaign manager during the campaign, said the issue about the $40,000 arose in late August, 1974, when Mr. Bush was under consideration for appointment as Vice President. Administration sources at that time said the matter was one factor in the President's selection of Nelson A. Rockefeller as Vice President.

Mr. Collins said he handled Mr Bush's campaign finance reports and that he had "no independent memory" of making a report. But he said the contribution was not construed as having been made directly to Mr. Bush and this was "probably why it was never reported."

The Townhouse operation, as it was called in press accounts and by the prosecutor's office, was an apparatus created by President Nixon and directed by H. R. Haldeman, his chief of staff, to dispense money to candidates Mr. Nixon favored in 1970 House, Senate and gubernatorial races. It derived its name from the fact it was situated in a Washington, D. C., Townhouse.

Herbert W. Kalbach, Mr. Nixon's personal lawyer, and two former White House aides, Harry Dent and Jack Gleason, pleaded guilty to election law violations connected with the Townhouse operation, which was found not to be registered with the clerk of the House as required by the Corrupt Practices Act.

Senator William Proxmire, Democrat of Wisconsin, described Mr. Bush today as a "capable, intelligent, hard-working official," but added that "unfortunately these impressive qualifications are secondary to one vital consideration."

"Politics and intelligence do not mix. Placing a former national committee chairman as Director of Central Intelligence violates the cardinal rule of the intelligence business—separation of all political influences from the intelligence process," he said.

Senator Frank Church, Democrat of Idaho who is chairman of the Senate Select Committee on Intelligence, said he knew "of no particular reason why he is qualified" for appointment to a post heading any agency that was "the least political and most sensitive in Government." Mr. Church said that based upon what he knew now he would oppose Mr. Bush's appointment.

According to information made available to the prosecutor's office, Mr. Bush received $43,000 from the Townhouse operation, the sources said. The bulk of the money, $66,000, was delivered in $2,000 and $3,000 amounts to a series of campaign committees.

The delivery of money through this method was the normal procedure under the Corrupt Practices Act. But on Oct. 16, 1970, a $40,000 contribution was wired to Glenn Advertising directly presumably to defray part of the costs of Mr. Bush's campaign advertising, according to the sources familiar with the case

This contributions was not reported either under reports of Bush campaign committees or in a report of monies received by Mr. Bush personally, the sources said.

In mid-October of 1970, several sources said, Mr. Bush's campaign against Lloyd Bentsen, now a Democratic Senator from Texas, was floundering and there was a last-minute effort by the Nixon people to pump money in. The $40,000 contribution was part of this flurry of support, it was said.

Mr. Bush became aware of questions about the contribution in August, 1974, Mr. Collins and administration sources confirmed. There is no indication that he made a public statement on the mater, though aides responded to newsmen on the matter.

Bush Explains Decision

The Globe and Mail, Toronto

PEKING, Nov. 4.—Sitting in the residence he is provided as United States representative here, Mr. Bush was asked today why he had agreed to take on a job that could end a political career that has seen him in the running for a United States Senate seat as well as for Vice-Presidential nomination.

"Well, I'm not sure I've ended it forever, but I've been asked to do a tough job and I believe I ought to do it. It's nothing more complicated than that," he said.

A moment earlier he had conceded that "if anybody can perceive this job as a springboard to political fortune, well, he's been hallucinating."

He said it would be "highly irregular" to talk substantively about the Central Intelligence Agency and his thoughts about it before confirmation hearings by the Senate. But he made it clear that if he turns out to be a reformer of the troubled agency he will also be its strong defender.

"It's one helluva challenge. I happen to believe in the importance of this agency and I recognize there are plenty of problems. Frankly I'm not sure I know what all the problems are," he said.

"I believe in the importance of a sound and strong intelligence capability in the troubled world. I am not unaware of the problems that have been swirling around the agency ones I've just read about in the papers from time to time," he continued.

Less than three weeks ago, Mr. Bush said he was happy in his Peking job and had no intention of leaving it in the near future. He said yesterday that the new job offer from President Ford "came out of a clear blue sky" on Sunday.

He was out bicycling with his wife, Barbara, when a messenger caught up to them and told Mr. Bush that there was an important message for him.

It was fashionable in some diplomatic circles in Peking to put down Mr. Bush's informal gladhanding good-to-see-you ways, but diplomats who actually dealt with him often expressed their liking and respect for him.

Nevertheless there were indications that Secretary of State Henry A. Kissinger did not lean on the knowledge and expertise of Mr. Bush and his liaison office staff.

When Mr. Kissinger arrived here for talks two weeks ago, for instance, he did not set aside any time for consultations with Mr. Bush before plunging into dealings with Chinese leaders.

WASHINGTON POST 5 NOV 1975

'Politics' at CIA Feared

By Walter Pincus and Laurence Stern
Washington Post Staff Writers

Warnings that the appointment of George Bush could lead to election-year manipulation of the supposedly nonpartisan Central Intelligence Agency were sounded yesterday on Capitol Hill and within the intelligence community.

Indicative of the reaction was the comment of Sen. Frank Church (D-Idaho): "Once they used to give former national party chairmen postmaster generalships—the most political and least sensitive job in government. Now they have given this former party chairman the most sensitive and least political agency."

Church, chairman of the Senate CIA investigating committee, said he would be obliged to vote against the confirmation of Bush, GOP national chairman during the 1972 presidential campaign, "based on my present knowledge of his background and experience in this field."

He said Bush's appointment could well "compromise the independence of the CIA."

Bush, interviewed in Peking by Reuter, inadvertently may have added fuel to the controversy with the observation that he was not sure the CIA appointment meant his political career was over. Bush currently heads the U.S. liaison office in China.

President Ford in his press conference Monday night also fed the concern with the observation that he did not think either Bush or Donald Rumsfeld, his nominee as Defense Secretary, could be eliminated from "consideration by anybody" for the vice presidency.

An illustration of the specific sort of worry the appointment has generated was provided by one Senate intelligence investigator.

"Richard Helms (former CIA director) kept saying 'no' to overtures from the White House in June, 1973, that the CIA assist in the cover-up in the Watergate case. Whatever else you may say about him, Helms refused. What do you suppose George Bush would have said to the President?"

The CIA has always been uneasy with directors appointed from outside the intelligence field, but as one experienced CIA man said yesterday, "We thought they would have gone outside the political arena, at least until after the election."

He said there had been some thought that David Packard, who recently resigned as President Ford's finance chairman, might have made a better choice than Bush.

A top Senate aide raised the question of how much intelligence information critical of administration policy will go to Capitol Hill once Bush takes over.

In recent years, CIA has been available for briefings and has supplied its daily intelligence summaries to key committee members and staffs. "A professional intelligence agency can do that," the aide said, "but Bush is a member of the administration team in an election year and is not a professional intelligence man."

Illustrative of the issue of the CIA's integrity in intelligence reporting was the conflict over the politically controversial ABM Safeguard system as well as Soviet missile strength during the early years of the Nixon administration.

CIA assessments were sharply at odds with those of the Nixon White House and the Defense Department. Helms was willing to testify on Capitol Hill against then-Defense Secretary Melvin R. Laird.

Colby risked the ire of the Ford White House and Secretary of State Henry A. Kissinger by going before congressional committees and testifying about past excesses of the CIA.

The impending Senate Armed Services Committee hearings on Bush's nomination are expected to become the forum in which the issue of the CIA's political independence will be debated by Congress and the administration.

The position of deputy CIA director takes on new importance with the appointment of a nonprofessional outsider like Bush. In the past the No. 2 man has been a CIA insider and taken a strong hand in running the agency when the top job was held by an outsider.

Lt. Gen. Vernon Walters, the current deputy and a political appointee of former President Nixon, said yesterday he intended to consult the White House to find out if President Ford wants him to stay.

WASHINGTON POST 5 NOV 1975

The Shake-Up

ALREADY IT HAS A misnomer—the Sunday Night Massacre—and already the politicians and pundits have invested the President's shakeup of his administration with a superabundance of (often-conflicting) significance. But experience warns us that this kind of instant score-keeping on who's up and who's down in government, and what this means for future policy, is a mug's game requiring more reliable insights than even the most astute Washington-watchers have now. For now, it seems to us enough to ask a few elementary questions: Why not? Why now? And why in such an abrupt and clumsy manner?

The question of "why not" is the easiest. Mr. Ford, after all, did not appoint Secretary Schlesinger or CIA Director Colby to their jobs; nor did he give Henry Kissinger two of the top national security jobs in government. He is certainly entitled to rearrange the policy-making process and to try to install in such critical posts people he would prefer to work with. To have done so, after 14 months of working with the national security team he inherited from President Nixon, is in itself hardly a "massacre."

To acknowledge the prerogative is not of course to pronounce on whether these were politically or substantively wise moves. It makes sense to us, for example, to split up Mr. Kissinger's two jobs; the point of the White House post was always to try to insure that the President be exposed to all sides of the arguments from all departments concerned with national security affairs. But with his hand-picked deputy taking over the White House position, and without the counterweight of Secretary Schlesinger to worry about, it remains to be seen whether the Kissinger hegemony will in fact be weakened. Likewise, it is possible to wonder whether this was the moment to dismiss both Mr. Schlesinger and Mr. Colby.

Which brings us to the question of "why now?" In terms of both politics and policy, for instance, it can be argued that the removal of Mr. Schlesinger at this moment sends all the wrong signals from Mr. Ford's point of view to everyone from the Republican right wing to the Soviet military to the members of Congress currently chewing over his defense budget.

In the case of Mr. Colby, he was himself among those who assumed he would leave his post when he had completed the painful but necessary exercise going forward on the Hill: an effort to explain, purge, and in the process, pave a way for the rehabilitation of the CIA. He was engaged in a witting and honorable act of self-sacrifice which was price enough, it seems to us, for him to pay, without being unceremoniously and abruptly dumped.

To give the President the best of it, he cannot have been unaware of these problems of timing. So there must have been other pressures at work and here, let us admit, we are operating somewhat in the dark. But it is our best guess that the decision of Vice President Rockefeller to withdraw as a candidate, whatever its precise relation to the job changes, has this in common with the President's other moves: it is all part of a general refurbishing of the presidential image with Ronald Reagan, the early primaries, and the 1976 election all more or less clearly in mind.

We note, without surprise, that this was not the way the President presented it in an accounting of his actions that was as pedestrian as it was implausible. The men who were falling away had done really super work but they were not "my guys" (we had rather thought Mr. Rockefeller was, and that Mr. Kissinger, in fact, was not, but never mind). The point, it seems to us, is that the President was trying to will or wish away problems and conflicts he has been unable to cope with or resolve. The effect of this inability has been to present the unfortunate image of a weak caretaker, presiding over a divided and unruly government, with a domineering Secretary of State, an openly dissenting Vice President and Defense Secretary, and a CIA Director whose compulsion to come clean was above and beyond the call of a supposedly open administration. Now, it is true that the image-polishing might have been a little more successful if the whole complicated story hadn't leaked out in dribs and drabs enhancing the awkwardness and the crudeness, upsetting a careful timetable which might have invested the whole maneuver with a greater appearance of logic and control. But even the most exquisitely programmed presentation could not have disguised the rock-bottom irony of the situation. For the President with this drastic and summary treatment of his problem managed to confirm both the degree of disarray that he had allowed to set in and his own inability to deal with it except by the most abrupt and heavy-handed means.

BALTIMORE SUN

5 NOV

Church refuses Ford request

By MURIEL DOBBIN
Washington Bureau of The Sun

Washington—Senator Frank Church (D., Idaho), the chairman of the Senate Select Committee on Intelligence Activities, rejected yesterday a direct appeal from President Ford to suppress a political assassination report and accused the White House of trying to "disrupt" the congressional inquiry into espionage operations.

At a news conference, Mr. Church asserted Mr. Ford's announcement of a Central Intelligence Agency leadership change amid the investigation was part of an administration effort to hamper the committee's work.

The chairman said he will vote against the nomination of George Bush, the ambassador to China, to replace William E. Colby as CIA director.

Despite White House and intelligence community objections, the committee indicated its determination to make public by Thanksgiving a report on CIA involvement in political assassination plots that first will be submitted to a secret Senate session.

In a letter to Mr. Ford, Mr. Church took issue yesterday with a presidential warning delivered last week that public disclosure of assassination details provided the committee by the White House would result in "serious harm to the national interest and may endanger individuals."

According to Mr. Church, the report's revelations would create a basis for "an informed public debate on whether there has been an unsound system of secret government."

Such a debate, the chairman added, is "essential" to prevent any repetition of activities attributed to the CIA.

The committee has been probing for months charges of misconduct made against the intelligence community and expects to wind up its inquiry by Christmas.

Mr. Church increasingly has been critical of what he termed a growing "pattern" of impediments by the White House of the congressional probe into alleged political assassination plots and into supersecret operations of the National Security Agency that monitors communications.

Mr. Church took the position Mr. Colby's dismissal represented further evidence of the disruptive pattern and said the former director—who will continue to run the CIA until Mr. Bush is confirmed—will be called on for any further information required by the committee.

"The new director knows nothing about the CIA," Mr. Church observed tartly of Mr. Bush, whose reputation is that of a political troubleshooter.

BALTIMORE SUN

5 NOV 1975

Politics and Security

National security interests and Gerald Ford's political ambitions are so intermixed by the upheaval in his administration that it is difficult to tell one from the other. Whether the President is swinging abruptly to right or left, toward or from Secretary Kissinger's devotion to detente, will be clarified not by the debate his appointments have touched off but by the performance of his rebuilt Cabinet. But the personnel changes this week have no chance of being read as the handiwork of a President putting vital policy, even national security policy, first. Rather, his juggling of personnel will be seen as clumsy maneuvering by a man whose lack of policy direction leaves him to respond ever more erratically to the political challenge of the moment.

It is necessary, though difficult, to recall the workmanlike manner in which President Ford went about rebuilding a government shaken by the nightmares of Nixon and Watergate. If his start was less than altogether impressive, his early craftsmanship in Cabinet-making, and his strong early attempts to bring the country to a real energy policy, contained the makings of substantive leadership. Now, as Mr. Ford approaches his first test under the fire of a presidential campaign, the hope of leadership goes fast aglimmering under pressure from his soft right flank in the Republican party. Mr. Ford's panic at the prospect of a challenge by Ronald Reagan has been visible in his calculated attempt to eviscerate the nation's welfare program, in the hodge-podge of political goodies he offered instead of a tax program, in his un-Presidential whipping of a desperate New York City. Now his panicky response to fire from the right reaches beyond domestic economic and political debate to bring a debasing partisanship to the national security apparatus conservatives themselves profess to hold sacred.

No one expected William E. Colby to be director of the CIA much longer. His role from the moment he was appointed was to oversee the agency's co-operation with the congressional investigations that are still in progress. He has generally been forthcoming with the Congress, and members of the Senate investigating committee are already expressing concern for the future of their effort now that he has been removed. But his removal is less important than the President's choice of an ambitious Texas Republican up-and-comer as his replacement. That is the precise opposite of the need demonstrated by the recent waves of disclosures. Mr. Ford seeks to convert the imperative of taking the directorship out of the CIA's own bureaucracy into an excuse to hand this most sensitive of assignments to a man whose career is the essence of partisan politics.

The Rockefeller Commission called for an "individual of stature, independence and integrity" to ram some respect for the law into the agency while maintaining its professional standards and rebuilding its morale. What was clearly intended was someone who could bring to the agency the cold objectivity and passion for excellence that Archibald Cox and Leon Jaworski brought to the Watergate special prosecutor's office. Mr. Bush has stature and integrity. But who will believe in the independence of the former chairman of a national party committee? And how can any better case be made for a President's allowing policy differences between the secretaries of State and Defense to turn the Defense secretaryship into a launching pad for a White House aide whose driving political ambition is obvious but whose background in defense affairs is not?

Seen together with Mr. Rockefeller's removal from the 1976 Vice Presidential picture, the Cabinet changes open a wedge of political maneuvering room for the President. Firing Mr. Schlesinger seems certain to vitiate any good the Rockefeller letter might have done the President with the Republican right. But by putting the Vice Presidential nomination up for grabs and simultaneously shining the light on several potential candidates, Mr. Ford has significantly altered his bargaining position for the primaries and convention. This readjustment of the political chips does much to dissipate that above-partisanship sense of substantive leadership that is the most valuable asset—administrative or political—of any incumbent President. Perhaps something like that was on the spurned Vice President's mind when he wrote into the last lines of his letter a pointed reminder that the first obligation of both Mr. Ford and Mr. Rockefeller is "to cope with the problems that confront the nation until the installation once again of a President and Vice President duly elected by the people."

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